

**DOCKET SECTION**

**BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001**

RECEIVED

MAR 17 4 47 PM '98

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

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Docket No. R97-1

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Postal Rate And Fee Changes, 1997

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**MOTION OF ALLIANCE OF NONPROFIT MAILERS  
TO COMPEL PRODUCTION OF MAIL ACCEPTANCE LOGS  
UNDERLYING USPS-RT-22 OR, IN THE ALTERNATIVE,  
TO STRIKE PORTIONS OF THAT TESTIMONY  
(March 17, 1998)**

The Alliance of Nonprofit Mailers ("ANM") hereby moves to compel production of the "acceptance logs" and "disqualification logs" referenced on pages 25 and 26 of the rebuttal testimony of Postal Service witness Leslie M. Schenk (USPS-RT-22). ANM also requests leave to conduct supplemental cross-examination of Dr. Schenk concerning those documents, or to file surrebuttal testimony concerning those documents, within a reasonable period after the Postal Service has produced them. In the alternative, ANM moves to strike those portions of her testimony which sponsor a Christensen Associates "survey of postal sites accepting bulk nonprofit Standard (A) mail" to "determine the degree to which nonprofit transactions disqualified during acceptance pay regular rates but have nonprofit indicia" (*id.* at 25, lines 8-11).<sup>1</sup>

The requested relief is essential to protect ANM's due process right to test, verify, and replicate the results of the Postal Service's survey. The acceptance/

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<sup>1</sup> The portions of USPS-RT-22 at issue are page 2, line 4, through page 3, line 7; page 11, lines 10-15; page 15, line 18, through page 20; and pages 25-29.

disqualification logs are responsive to an ANM discovery request filed in early December, and should have been produced long ago. Moreover, because the logs are an important part of the evidentiary foundation for the survey, the Postal Service was obligated to produce them on March 9 under Rule 31(i) as workpapers or supporting documentation for its rebuttal testimony. Admitting the Postal Service's survey into evidence, while denying ANM an opportunity to scrutinize the underlying logs, would deprive ANM of a meaningful opportunity to cross-examine or rebut Dr. Schenk's survey results, and would sanction trial by ambush.<sup>2</sup>

## **BACKGROUND**

The background of this dispute is familiar to the Commission. In late November 1997, ANM and its expert, Dr. John Haldi, came to suspect that the disproportionate increase in costs attributed by the Postal Service to nonprofit vs. commercial Standard (A) mail could be due in large part to a mismatch between the Postal Service's RPW (volume) and IOCS (cost) data for mail bearing nonprofit evidencing of postage, but entered at commercial rates or later charged back postage based on commercial rates.

### **A. ANM's Discovery Requests To The Postal Service**

To determine the extent of this phenomenon, ANM served a set of discovery requests upon the Postal Service—the only party in possession of mail entry data, compiled or uncompiled, for the entire universe of nonprofit mailers. Interrogatories

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<sup>2</sup> Waiver of the 14-day requirement of Special Rule 1C for motions to strike testimony is appropriate for several reasons. First, the testimony was not filed until March 9, 1998—only 11 days before Dr. Schenk's scheduled appearance for cross-examination on the last day of hearings. Second, the Postal Service's refusal to produce the material did not become apparent until yesterday, March 16.

ANM/USPS-19-25 (served December 9, 1997). Interrogatory ANM/USPS-21(a) asked the Postal Service to “state how many mailings, pieces, and pounds of mail prepared for entry at Standard A (formerly third-class) nonprofit rates were in fact entered at commercial rates” during Fiscal Year 1996 and two other periods “because the Postal Service determined, before or during entry of the mail, that it did not qualify for Standard A (or third-class) nonprofit rates.” The question further requested that, if “any of the data requested are unavailable for the entire period,” the Postal Service should “provide all data currently available” (*id.*).

The Postal Service objected to producing *any* of the quantitative data requested by ANM, including the data covered by ANM/USPS-21(a). The Postal Service asserted, *inter alia*, that a “comprehensive response would require the Postal Service to survey *every point at which business mail may be entered*, in order to review *each* mailing statement for a *two-year period*.” Objection of USPS to Interrogatories of ANM (ANM/USPS-20-23 and 25-26) (Dec. 19, 1997) (“Objection”) at 3 (emphasis added). “Even these efforts,” the Service added, “could fail to provide a complete response.” *Id. Accord*, Opposition of USPS to Motion of ANM to Compel Answers to Interrogatories (Dec. 29, 1997) (“Opposition”).

The Presiding Officer denied the motion to compel. His decision relied in significant part on the Postal Service’s representations that ANM/USPS Interrogatory 21(a) and the other data requests sought “new information requiring extensive research and analysis of data available only from ‘the Field,’ rather than existing data or operating procedures”; that developing such data “would be very difficult and time consuming for the Service”; and that “such efforts” probably “would be useless since the Service’s current systems may not permit an accurate and comprehensive collection of the retrospective information.” Presiding Officer’s Ruling No. R97/1-86 (Jan. 9, 1998).

ANM appealed this ruling to the full Commission on January 16, noting, *inter*

*alia*, that it might be possible to “develop data through a sample survey rather than by securing information from every post office in America.” Appeal of ANM from Presiding Officer’s Ruling No. R97/1-86 (Jan. 16, 1998) at 7 n. 1. In opposing ANM’s appeal, the Postal Service reiterated its claim of undue burden, adding that even “gathering the Postal Service personnel necessary to fully discuss the substance of the discovery requests” would be, “in itself, extraordinarily painstaking.” Response of USPS to Appeal of ANM from Presiding Officer’s Ruling No. R97/1-86 (Jan. 28, 1998) at 2.

On February 9, the Commission upheld Ruling No. 86. Crediting the Postal Service’s claims of undue burden, the Commission found that “[d]irecting the Service to provide the information sought in these four interrogatories would certainly delay the Commission recommendation by *many months*, especially since *participants would presumably need additional time to evaluate any collected data* for the preparation of testimony and rebuttal.” Order No. 1207 (Feb. 9, 1998) (emphasis added). The Commission also accepted the Postal Service’s representations that it lacked sufficient records to generate probative data on the subject:

The general tenor of the Service’s statements concerning the scope of the data sought leaves the strong indication that much of the requested information *does not exist*, and that information gained from a nationwide investigation, or even one conducted at random offices, *would not provide a reliable representation of the scope of any real or implied problem*.

*Id.* (emphasis added). Compelling the Postal Service to answer ANM’s discovery requests, the Commission concluded, would “delay action interminably when there is little substantial prospect for obtaining additional probative evidence.” *Id.* And the Commission also credited the Postal Service’s claim that “even put[ting] together a group of individuals likely to be able to address knowledgeably the ramifications of the issues touched on by the ANM questions.” *Id.*

Unable to obtain *any* quantitative data from the Postal Service on the extent of the IOCS/RPW mismatch, ANM witness Haldi relied instead on responses to a survey of its own members and a limited number of other nonprofit mailers. The survey results indicated that a reduction of approximately 7.85 percent in the attributable costs determined by the Postal Service for nonprofit Standard (A) mail is appropriate. ANM-T-1 (Haldi); Exhibit ANM-T-1 (revised).

### **B. The Postal Service's Rebuttal Testimony**

On March 9, 1998—one month to the day after the issuance of Order No. 1207—the Postal Service did the very thing it had repeatedly claimed was impossible: it filed data, drawn from existing Postal Service records and a newly commissioned study, purportedly quantifying “the degree to which nonprofit IOCS costs are overstated because volumes and costs are inconsistent.” Rebuttal Testimony of Leslie M. Schenk (USPS-RT-22) at 11-20, 25-29. The data were based in large part on “acceptance logs” or “‘disqualification logs’ maintained by acceptance units” and “usually recorded on Form 8075”—business records whose existence the Postal Service had failed to disclose in response to ANM’s discovery requests. *See id.* at 25, lines 2-6. To supplement this information, the Postal Service conducted a survey of managers of business mail entry at 30 sites, including “the 20 sites with the highest bulk permit imprint nonprofit Standard (A) revenue in FY96.” *Id.* at 25-26. From start to finish, the survey took less than 13 days.<sup>3</sup>

The Postal Service filed no workpapers or “supporting documentation” for the survey exhibits in USPS-RT-22 until March 11, 1998—two days after the filing

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<sup>3</sup> According to the Postal Service, the survey was “conducted February 25, 1998 - March 13, 1998.” *Id.* at 26, lines 19-20. The Postal Service filed its rebuttal testimony on March 9, however; hence, the results reported in USPS-RT-22 must have been completed on or before that date.

deadline for rebuttal testimony. *See* Notice of USPS of Filing of Library Reference H-352 (March 11, 1998). Moreover, ANM discovered while reviewing USPS-RT-22 and Library Reference H-352 that a number of key supporting items appeared in neither document. *See* Letter from David M. Levy to Anne B. Reynolds, Esq. (March 13, 1998) (attached as Appendix A hereto).

In response to ANM's requests, the Postal Service supplied many of the missing items on March 13 and 16, and produced the completed survey response forms this afternoon. The Service, however, has refused to produce the "acceptance logs" identified in USPS-RT-22 at 25, lines 2-6, and 26, lines 21-24—the only Postal Service business records underlying Dr. Schenk's estimates of "the degree to which nonprofit mailings disqualified during acceptance are mailed with nonprofit indicia, but pay regular rates" at particular survey sites. *See* Letter from Anne B. Reynolds, Esq., to David M. Levy (March 16, 1998) at 2 ¶ 4 (attached as Appendix B hereto). The Postal Service asserts that "no discovery is permitted on rebuttal evidence," that Dr. Schenk did not personally review the logs, and that collecting the documents and redacting protected information "would be likely to take at least a full week of effort" or longer. *Id.* at 1, 2.

## ARGUMENT

Elemental notions of due process entitle ANM to the "acceptance" or "disclosure" logs, whether recorded on Form 8075 or elsewhere. First, the Postal Service's objection that "no discovery is permitted on rebuttal evidence" is beside the point: the Postal Service should have produced the material several months ago in response to discovery aimed at the Service's *case-in-chief*. By the Postal Service's own description, the documents are clearly responsive to Interrogatory ANM/USPS-21(a), for they contain the very kind of information that ANM sought to discover—*i.e.*, the volumes of "mailings, pieces, and pounds of mail prepared for

entry at Standard A (formerly third-class) nonprofit rates” that “were in fact entered at commercial rates” during Fiscal Year 1996 (or subsequent periods) “because the Postal Service determined, before or during entry of the mail, that it did not qualify for Standard A (or third-class) nonprofit rates.” *Cf.* Interrogatory ANM/USPS-21(a) and USPS-RT-22 at 25-26. The Postal Service’s belated disclosure of the existence of these records belies its protestations that useful data of this kind did not exist, or could not be collected without months of effort.

Second—and wholly independent of any ANM discovery requests—the Postal Service should have produced these documents as workpapers or supporting documentation on March 9, 1998, simultaneously with the filing of USPS-RT-22. Due process entitles ANM to sufficient information about the bases for the Dr. Schenk’s study to enable ANM to test, analyze and replicate her results. *See* 39 U.S.C. § 3624(b) (incorporating 5 U.S.C. § 556(d)). The Commission’s rules for studies of this kind specify that interveners in rate cases are entitled to scrutinize the inputs underlying the Postal Service’s studies.<sup>4</sup> Moreover, participants are entitled upon timely request to any other information that are “necessary to establish the foundation of the evidence concerned.” Rule 31(k)(3)(j)(ii).

That Dr. Schenk, the Postal Service’s testifying witness, did not personally “obtain” or “review” the acceptance or disqualification logs, but “relied on Postal Service employees to relate information in the logs in the course of telephone inquiries” (March 16 Letter at 2), only underscores the need for direct scrutiny of the logs. Dr. Schenk’s testimony constitutes hearsay upon hearsay: a Postal Service

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<sup>4</sup> *See* Rule 31(k)(1) (“Tabulations of input data shall be made available upon request at the offices of the Commission”); Rule 31(k)(3)(i) (requiring production of “a listing of the input and output data and source codes” and a “machine-readable copy of all data bases” underlying computer analyses); Rule 31(k)(2)(f) (requiring production of “[s]ummary descriptions and source citations for all input data and, upon request, a complete listing of the data” underlying sample surveys).

employee at each local site, purportedly familiar with the entries in the acceptance/disqualification log, summarized the data in the log to a telephone caller employed by Christensen Associates or Postal Service headquarters, who in turn summarized the information for Dr. Schenk. The opportunities for inadvertent error in this glorified game of “telephone” are obvious.

Moreover, the Postal Service field employees with possession of the acceptance/disqualification logs had an obvious incentive to underreport the incidence of “disqualified” mail bearing nonprofit indicia. As Dr. Schenk notes in her testimony, the “official rules of mail preparation of the USPS, as described in the Domestic Mail Manual,” require that “mail must be endorsed to reflect appropriately the rates being paid.” USPS-RT-2 at 3. “All bulk Standard (A) mail claimed at regular rates must be endorsed as such, i.e., marked “Bulk Rate.” *Id.* Stated otherwise, accepting mail bearing nonprofit evidencing of postage for entry at commercial rates is a violation of the Postal Service’s “official rules of mail preparation.” *Id.*

On February 18, 1998—a week before the launch of the survey—the Postal Service’s headquarters Manager of Marketing Systems-Business Mail Acceptance sent a letter to the managers of Business Mail Entry at all of the targeted sites, stating them that the Postal Service’s consultant, Christensen Associates, would be seeking information on “the frequency with which mail *not* qualifying for Standard (A), Nonprofit rates is accepted with nonprofit endorsements.” Letter from Anita J. Bizzotto (Feb. 18, 1998) (attached as Appendix C) (emphasis in original). Individuals with questions were directed to call another headquarters employee. *Id.* In short, the Postal Service field employees responding to the survey knew in advance that they were being asked to report, to an agent of Postal Service headquarters management, the extent to which they or their local co-workers had violated the law as implemented by the Domestic Mail Manual.

The potential for bias is obvious. To paraphrase Dr. Schenk, a Postal Service



field employee “receiving this survey” would “quite logically, be likely to perceive that it is not in” the “best interests” of the respondent, or his or her co-workers, “to report ‘negative’ results”—i.e., acceptance of mail bearing nonprofit evidencing of postage at commercial rates in contravention of the Domestic Mail Manual. USPS-RT-22 at 6. Without access to the underlying acceptance or disqualification logs, however, neither ANM nor the Commission has any way to test the extent of the bias.

The obvious solution to this conundrum is to direct the Postal Service to produce the logs,<sup>5</sup> and to allow ANM to cross-examine Dr. Schenk or submit surrebuttal testimony within a reasonable period after production of the logs. This is the relief preferred by ANM.

ANM recognizes that March 20, the scheduled date for Dr. Schenk’s cross-examination, is the last date of hearings, and that initial briefs are due on April 1. It is also evident that postponing the close of the record may jeopardize the issuance of the Commission’s recommended decision with the statutory period, that the Commission is reluctant to extend that period without the Postal Service’s consent, and that the Postal Service has previously declined in this case to grant such consent. Under the circumstances, if the Commission determines that supplemental cross-examination or surrebuttal testimony is infeasible, the only alternative permitted by due process is to strike those portions of Dr. Schenk’s testimony which set forth, or rely upon, the Christensen Associates survey of local Postal Service facilities. The Postal Service has no grounds to oppose such relief, for any difficulty it may have in producing the material within the existing schedule is merely the consequence of its own stonewalling.

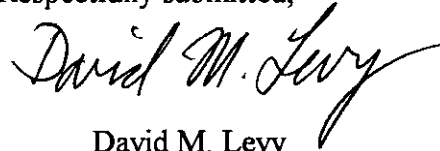
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<sup>5</sup> To hide the identities of individual mailers, ANM suggests that the Postal Service be directed to replace the mailer names with code numbers.

## CONCLUSION

For the foregoing reasons, the Postal Service should be directed to produce the "acceptance" and "disqualification" logs referenced in Dr. Schenk's testimony and workpapers for all surveyed sites that have kept such logs for the period beginning with Fiscal Year 1996, and Dr. Schenk should be recalled for supplemental cross-examination, or ANM should be permitted to file surrebuttal testimony, within a reasonable period thereafter. If the Commission is unwilling to provide this relief without the Postal Service's consent to a corresponding extension of the period for a recommended decision, and the Postal Service is unwilling to provide such consent, then the portions of Dr. Schenk's testimony which set forth, or rely upon, the Christensen Associates survey of local Postal Service facilities should be stricken.

Respectfully submitted,



Joel T. Thomas  
1800 K Street, N.W., Suite 810  
Washington, D.C. 20006  
(703) 476- 4646

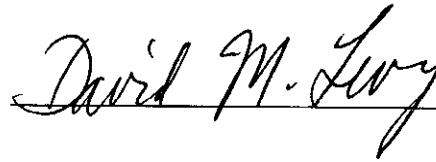
David M. Levy  
SIDLEY & AUSTIN  
1722 Eye Street, N.W.  
Washington, DC 20006  
(202) 736-8214

*Counsel for Alliance of Nonprofit Mailers*

March 17, 1998

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice. In addition, a copy was served upon Postal Service counsel by FAX.

\_\_\_\_\_

March 17, 1998

**SIDLEY & AUSTIN**  
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

Appendix A

CHICAGO  
—  
DALLAS  
—  
LOS ANGELES

1722 EYE STREET, N.W.  
WASHINGTON, D.C. 20006  
TELEPHONE 202 736 8000  
FACSIMILE 202 736 8711

FOUNDED 1866

NEW YORK  
—  
LONDON  
—  
SINGAPORE  
—  
TOKYO

WRITER'S DIRECT NUMBER

***VIA FAX AND E-MAIL***

March 13, 1998

Anne B. Reynolds, Esq.  
Law Department  
United States Postal Service  
475 L'Enfant Plaza S.W.  
Washington, DC 20260-1137  
areynold@email.usps.gov

Re: Docket No. R97-1

Dear Ms. Reynolds:

This is a follow-up to our phone conversation this afternoon concerning Ms. Schenk's rebuttal testimony (USPS-RT-22). Please provide the following work-papers as soon as possible:

- (1) The "letter explaining the survey" and the "list of survey questions" that "was faxed to each sample site's Manager of Business Entry" (cited in USPS-RT-22 at 26, lines 12-14).
- (2) Any phone call records, logs, notes, completed survey forms, or similar documents (whether in hard copy or electronic form) on which the survey takers recorded information obtained during their telephone interviews (*id.* at 26, lines 16-19).

Anne B. Reynolds, Esq.

March 13, 1998

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- (3) Any intermediate notes or compilations of the information requested in paragraph (2), which in turn were used in preparing USPS-RT-22 or Library Reference H-352.
- (4) Copies of the acceptance logs identified in USPS-RT-22 at 26, lines 21-24, for each site that responded to the survey.
- (5) The city, state and ZIP code of each site that responded to the survey. (If this information appears in Library Reference H-352, please just identify the file or files.)
- (6) Copies of any contracts, RFPs, bids, offers, and similar documents generated by the Postal Service or Christensen Associates concerning the purpose, scope and nature of Christensen Associates' work relating to the survey. (You may redact hourly billing rates and similar information. Please contact me if you wish to redact other information: I am only interested in the portions that may shed light on the purpose, scope and nature of Christensen Associates' assignment.)
- (7) Any other written information provided by the Postal Service that Ms. Schenk used in preparing USPS-RT-22 or the Postal Service's response to Interrogatory ANM/USPS-28.
- (8) Any other supporting information required by Rule 31(k) that has not been included in USPS-RT-22 or Library Reference H-352.

Anne B. Reynolds, Esq.

March 13, 1998

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Because time is obviously of the essence, I would appreciate if you or Ms. Schenk would furnish the information to me today or this weekend if possible. Please send e-mails to each of the following addresses:

dlevy@sidley.com

david.m.levy@worldnet.att.net

jhaldi@aol.com

Please send any faxes to me c/o Sidley & Austin at (202) 736-8711, with a copy to John Haldi at (212) 664-8872. My office receives Express Mail, FedEx and similar shipments on Saturday.

Thank you for your assistance.

Very truly yours,

A handwritten signature in cursive script that reads "David M. Levy". The signature is fluid and stylized, with the first letters of each word being capitalized and prominent.

David M. Levy

cc: Dr. John Haldi

## TRANSMIT REPORT

1998.03-13 17:52  
202 736 8713

COM No.	REMOTE STATION	START TIME	DURATION	PAGES	RESULT	USER ID	REMARKS
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## SIDLEY &amp; AUSTIN

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CHICAGO  
DALLAS  
LOS ANGELES1722 EYE STREET, N.W.  
WASHINGTON, D.C. 20006  
TELEPHONE 202 736 8000  
FACSIMILE 202 736 8711

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NEW YORK  
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TOKYOFACSIMILE TRANSMISSIONDate: 3-13/98 Time: 5:40 Total No. Pages: (including cover) 4To: Mrs. Anne Reynolds Fax No.: (202) 268-5402Contact #: (202) 269-2970 Co. Name: USPS

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Contact #: \_\_\_\_\_ Co. Name: \_\_\_\_\_

or S&amp;A Location (check one) Addressee's Extension: \_\_\_\_\_

☐ Chicago ☐ Dallas ☐ LA (Century City) ☐ New York ☐ LA (Downtown) ☐ London ☐ Tokyo ☐ SingaporeFrom: David Levy

Comments: \_\_\_\_\_

☐ This is a retransmission of the following pages: \_\_\_\_\_

This message is intended only for:

## Appendix B

***By facsimile and email***

David M. Levy, Esq.  
Sidley & Austin  
1722 Eye Street, NW  
Washington, DC 20006

March 16, 1998

Dear Mr. Levy:

I am responding to your letter of Friday evening, March 13, 1998, regarding the eight information requests you have made regarding the rebuttal testimony of Postal Service witness Leslie Schenk, USPS-RT-22. The Postal Service is willing to cooperate with these requests as far as is reasonable and practical, under the particular circumstances represented by the filing of Dr. Schenk's testimony. We note that the Procedural Schedules that have been promulgated by the Presiding Officer in this proceeding have each specifically noted that no discovery is permitted on rebuttal evidence, with the exception of oral cross-examination. See *Presiding Officer's Ruling No. R97-1/55, Attachment A* (November 5, 1997).

With this observation in mind, the following addresses your requests (reproduced in italics below):

(1) *The "letter explaining the survey" and the "list of survey questions" that "was faxed to each sample site's Manager of Business Entry" (cited in USPS-RT-22 at 26, lines 12-14).*

This information was sent to you and to Dr. Haldi via facsimile Friday evening, and will be filed as an errata to the testimony today.

(2) *Any phone call records, logs, notes, completed survey forms, or similar documents (whether in hard copy or electronic form) on which the survey takers recorded information obtained during their telephone interviews (Id. at 26, lines 16-19).*

475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-1137  
202-268-2970  
FAX: 202-268-5402



The materials responsive to this portion of your request comprise a significant volume of materials; Dr. Schenk estimates that several hundred pages would be involved. Moreover, this information is only available in hard copy. Because of the magnitude of this information, coupled with the proximity of Dr. Schenk's oral testimony, the Postal Service will make available, at Postal Service Headquarters, copies of the completed survey forms. Please contact the undersigned to arrange a time to review them.

*(3) Any intermediate notes or compilations of the information requested in paragraph (2), which in turn were used in preparing USPS-RT-22 or Library Reference H-352.*

Intermediate notes or compilations of the information requested in paragraph (2), above, were not made.

*(4) Copies of the acceptance logs identified in USPS-RT-22 at 26, lines 21-24, for each site that responded to the survey.*

As indicated in USPS-RT-22, acceptance logs were not maintained by all of the sites that were interviewed in the preparation of the testimony. Copies of the acceptance logs were not obtained or reviewed by Dr. Schenk from the sites that did maintain them; her testimony relied on Postal Service employees to relate information in the logs in the course of telephone inquiries.

In order for the Postal Service to provide the information you are requesting here, it would need to contact each site that responded to the survey discussed in USPS-RT-22, obtain copies of the acceptance logs (if maintained by the site), review them to determine if the pages contain commercially sensitive or confidential information, redact such information, and reproduce the redacted pages. This endeavor would be likely to take at least a full week of effort, and could take significantly longer. Accordingly, we are not undertaking to assemble these records.

*(5) The city, state and ZIP code of each site that responded to the survey. (If this information appears in Library Reference H-352, please just identify the file or files.)*

This information is in the attached chart.

*(6) Copies of any contracts, RPFs, bids, offers, and similar documents generated by the Postal Service or Christensen Associates concerning the purpose, scope and nature of Christensen Associates' work relating to the survey. (You may redact hourly billing rates and similar information. Please contact me if you wish to redact other information: I am only*

*interested in the portions that may shed light on the purpose, scope and nature of Christensen Associates' assignment.)*

USPS-RT-22 was provided under the existing contract between the Postal Service and Christensen Associates, to provide support for Postal Rate Commission proceedings. The task order, signed in late February, under which USPS-RT-22 was developed, is attached to this letter.

*(7) Any other written information provided by the Postal Service that Ms. Schenk used in preparing USPS-RT-22 or the Postal Service's response to Interrogatory ANM/USPS-28.*

The attachments to the Postal Service's response to ANM/USPS-28 comprise the only other written information that was provided by the Postal Service that Dr. Schenk used in preparing USPS-RT-22 or the Postal Service's response to Interrogatory ANM/USPS-28. These attachments are provided in USPS-RT-22.

*(8) Any other supporting information required by Rule 31(k) that has not been included in USPS-RT-22 or Library Reference H-352.*

All of the information required by Rule 31(k) has been provided in the body of USPS-RT-22, in Library Reference H-352, or is otherwise addressed in the testimony.

Sincerely,

  
Anne B. Reynolds

## Sample Sites for LRCA Survey in Support of USPS-RT-22

Strata	Site	ZIP*
1	Atlanta, GA	30304
	Baltimore, MD	21233
	Boston, MA	02205
	Capitol Heights, MD	20743
	Chicago, IL	60607
	Dallas, TX	75260
	Fredericksburg, VA	22401
	Green Bay, WI	54307
	Liberty, MO	64068
	Lincoln, NE	68501
	Minneapolis, MN	55413
	Mount Pleasant, IA	52641
	New York, NY	10199
	Pewaukee, WI	53072
	Philadelphia, PA	19104
	Pittsburg, PA	15290
	Shawnee Mission, KS	66202
	Stevensville, MD	21866
	Washington, DC	20066
	Wilton, NH	03086
	Boulder, CO	80301
	Breckenridge, CO	80424
	Buffalo, SC	29321
	Columbus, OH	43216
	Easton, MD	21601
2	Galveston, TX	77550
	Madison, WI	53707
	Merrifield, VA	22081
	Reading, PA	19612
	Winston-Salem, NC	27102

\*ZIP Code for Postmaster at Main Office

**Christensen Associates  
Statement of Work  
Task 5 - IOCS Analysis  
Supplement ~~4x~~ 5**

**I. Background and Objectives**

Christensen Associates has provided testimony in the R97-1 rate case regarding the new costing system and the data systems on which it is built. This work needs to continue through the rebuttal phase and the filing of final briefs. Additional funding is needed because of the extensive involvement of Christensen Associates in several aspects of the case. The purpose of this supplement is to add funding to continue support for the R97-1 rate filing.

**II. Scope**

This work statement covers preparation of interrogatories, cross-examination questions, and rebuttal testimonies. It also includes supporting analysis and surveys as required to support opinions offered in testimony. Christensen Associates will appear in person for oral cross-examination and to assist with the oral cross-examination of intervenors.

**III. Deliverables and Schedule**

Deliverables will include testimony, interrogatories, and questions for cross-examination as well as the results of analysis as required by the Postal Service, with mutually agreed upon deadlines. The exact deliverables and their timing is not known at this time because of the nature of litigation.

Christensen Associates and the Postal Service will develop details and deadlines as their needs are known. This task expires April 30, 1998.

03/13/88 17:32 202 268 5402  
03/13/88 FRI 16:40 FAX 608 231 2108

USPS LAW DEPT  
CHRISTENSEN ASSO

007

MARKETING SYSTEMS  
BUSINESS MAIL ACCEPTANCE



February 18, 1998


MANAGERS, BUSINESS MAIL ENTRY

SUBJECT: Christensen Associates

The Postal Service has contracted with Christensen Associates to study the frequency with which mail not qualifying for Standard (A), Nonprofit rates is accepted with nonprofit endorsements. This issue has come up in a current rate case. If you are contacted by representatives of Christensen Associates for information regarding our acceptance procedures or any information you may have relating to this issue, please give them your full cooperation.

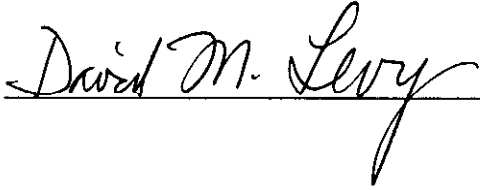
If you have questions, please contact John Reynolds at (202) 268-2653.

Thank you for your assistance.

  
for Anita J. Bizzotto  
Manager

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
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March 17, 1998